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## IMPORTANT

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**If you are in any doubt** about this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Leeport (Holdings) Limited (the “Company”), you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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# Leeport

**LEEPORT (HOLDINGS) LIMITED**

**力豐(集團)有限公司\***

*(Incorporated in Bermuda with limited liability)*

**DISCLOSEABLE TRANSACTION**

**FOR**

**SALE OF PROPERTY**

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3 March, 2004

\* For the purpose of identification only

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings unless the context requires otherwise:*

“Board”	the board of Directors of the Company
“Company”	Leeport (Holdings) Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Stock Exchange
“Consideration”	HK\$18,000,000.00 in cash as the price for the sale and purchase of the Property
“Director(s)”	director(s) of the Company
“Formal Agreement”	the formal agreement for sale and purchase dated 23rd February, 2004 entered into between the Vendor and the Purchaser in relation to the sale of the Property
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	27th February, 2004, being the latest practicable date before the printing of this circular for ascertaining certain information for the purpose of inclusion in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Flat No. 57 on 2nd Floor of Tower 9, (of Parkview Crescent) and Car Parking Space No. 130 on Car Park Entrance 3 (Level 4) of the garage, Hong Kong Parkview, No. 88 Tai Tam Reservoir Road, Hong Kong
“Provisional Agreement”	the provisional agreement for sale and purchase dated 10th February, 2004 entered into between the Vendor and the Purchaser in relation to the sale of the Property
“Purchaser”	Daily Wise Limited, purchaser of the Property
“Sale”	the sale of the Property in accordance with the Formal Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Leeport Machine Tool Company Limited 力豐機械有限公司, vendor of the Property

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LETTER FROM THE BOARD OF DIRECTORS

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**LEEPORT (HOLDINGS) LIMITED**

**力豐(集團)有限公司\***

*(Incorporated in Bermuda with limited liability)*

*Executive Directors:*

LEE Sou Leung Joseph (*Chairman*)

TAN, Lisa Marie

CHAN Ching Huen Stanley

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Independent Non-executive Directors:*

Dr. LUI Sun Wing

PIKE, Mark Terence

*Principal Place of Business:*

1st Floor, Block 1

Golden Dragon Industrial Centre

152-160 Tai Lin Pai Road

Kwai Chung

New Territories

Hong Kong

3rd March, 2004

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION  
FOR  
SALE OF PROPERTY**

**1. INTRODUCTION**

It was announced on 12th February, 2004 by the Board that Leeport Machine Tool Company Limited as Vendor, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with Daily Wise Limited as Purchaser whereby the Vendor agreed to sell and the Purchaser agreed to purchase the Property. Accordingly, on 23rd February, 2004, the Vendor entered into the Formal Agreement with the Purchaser in connection with the sale and purchase of the Property, subject to the terms and conditions stipulated therein.

The Sale constitutes a discloseable transaction of the Company under the Listing Rules. The purpose of this circular is to give the shareholders of the Company further details regarding this transaction, the Formal Agreement and other relevant information.

\* *For identification purpose only*

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## LETTER FROM THE BOARD OF DIRECTORS

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### 2. THE FORMAL AGREEMENT DATED 23RD FEBRUARY, 2004

#### a) Parties to the Formal Agreement

Vendor : Leeport Machine Tool Company Limited which is a wholly-owned subsidiary of the Company

Purchaser : Daily Wise Limited. The Purchaser including its beneficial owner(s) are not connected persons of the Company (as defined in the Listing Rules) and they have no relationship with the directors, chief executives and substantial shareholders of the Company and of its subsidiaries or any of their respective associates (as defined in the Listing Rules).

#### b) Property to be sold

Flat No. 57 on 2nd Floor of Tower 9, (of Parkview Crescent) and Car Parking Space No. 130 on Car Park Entrance 3 (Level 4) of the garage, Hong Kong Parkview, No. 88 Tai Tam Reservoir Road, Hong Kong are to be sold on an “as is” basis and subject to existing tenancy. The Property was acquired in 2001 at the cost of HK\$13,332,000.00 and its carrying value as at 30th June, 2003 in the books of the Group was HK\$14,000,000.00.

The net profits arising from rental income of the Property before tax and after tax was HK\$732,000.00 and HK\$614,880.00 for the year ended 31st December, 2002 and was HK\$732,000.00 and HK\$603,900.00 for the year ended 31st December, 2003.

#### c) Payment of Consideration

The consideration of HK\$18,000,000.00 is satisfied in cash by the Purchaser in the following manner:–

- (a) an initial deposit in the sum of HK\$900,000.00 was paid upon signing of the Provisional Agreement on 10th February, 2004;
- (b) a further deposit of HK\$900,000.00 was paid upon signing of the Formal Agreement on 23rd February, 2004; and
- (c) the remaining balance of HK\$16,200,000.00 will be paid upon completion of the sale and purchase of the Property, which is scheduled to take place on 15th March, 2004.

The Consideration was negotiated on arm’s length basis and upon normal commercial terms. The Board considers that the Consideration and other terms of the Sale are fair and reasonable.

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## LETTER FROM THE BOARD OF DIRECTORS

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### d) Completion

Subject to the terms of the Formal Agreement, the Sale is expected to be completed on 15th March, 2004.

### 3. USE OF PROCEEDS

The net proceeds of the Sale is estimated to be approximately HK\$17,800,000.00, which is intended to be used as general working capital of the Company.

### 4. REASON FOR THE SALE

The Property is held by the Group for investment purpose. The Board considers that given the prevailing property market situation, it is appropriate time for the Group to capitalize on the gain resulting from the Sale and to redirect the resources to other activities of the Group when necessary. Accordingly, the Board considers that the Sale is in the interests of the Company and of its shareholders as a whole.

### 5. PRINCIPAL ACTIVITY OF THE GROUP

The Company is an investment holding company and its subsidiaries are principally engaged in the trading and the installation of machine tools and related products.

### 6. FINANCIAL EFFECT OF THE SALE

The net proceeds of the Sale will strengthen the general working capital position of the Company and bring positive contribution to the financial resources of the Group.

### 7. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

By order of the Board  
**LEEPORT (HOLDINGS) LIMITED**  
**LEE Sou Leung, Joseph**  
*Chairman*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors, chief executives and their associates in the shares, underlying shares and debentures of the Company or its associated corporations within the meaning of the Securities and Futures Ordinance ("SFO"), as recorded in the register of directors' and chief executives' interests and short positions kept by the Company pursuant to Section 352 of SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Companies, were as follows:–

### (i) Shares of HK\$ 0.10 each in the capital of the Company

Name of directors	Number of shares held	Percentage of shareholding over the issued share capital of the Company	Capacity
Mr. LEE Sou Leung, Joseph ("Mr. LEE")	133,700,000 ( <i>Note 1</i> ) long position	66.85%	Settlor/founder
Ms. TAN, Lisa Marie ("Ms. TAN")	133,700,000 ( <i>Note 1</i> ) long position	66.85%	Beneficiary of a trust

*Note 1:* The 133,700,000 shares are held by Peak Power Technology Limited in its capacity as the trustee of The Lee Family Unit Trust holding the same for the benefit of holders of units issued by The Lee Family Unit Trust. Of the entire 100,000 units in issue, 99,999 units are held by HSBC International Trustee Limited in the capacity of the trustee of The LMT Trust and the remaining 1 unit is held by Ms. Loretta Tong Yuk Yin (an aunt of Ms. TAN). HSBC International Trustee Limited is the trustee of The LMT Trust whose discretionary objects are Ms. TAN and Mr. LEE's family members. The aforesaid shares that Mr. LEE and Ms. TAN are deemed to be interested refer to the same parcel of shares.

## (ii) Rights to acquire shares in the Company

Name of director	Exercise price per share	Number of shares issuable under the outstanding share option as at the Latest Practicable Date	Percentage of such interest in shares over the issued share capital of the Company as at the Latest Practicable Date
Mr. CHAN Ching Huen Stanley	HK\$0.87	200,000 ( <i>Note 2</i> ) Long position	0.1%

*Note 2:* The share option was granted on 19th December, 2003 and the exercise period is from 19th December, 2004 to 18th December, 2005 (both dates inclusive).

Save as disclosed in the paragraphs above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company or their associates (as defined in the Listing Rules) had any personal, family, corporate or other interests in the equity or debt securities of the Company or any of its associated corporations as recorded in the register referred to in the SFO or, as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Moreover, other than as disclosed above, as at the Latest Practicable Date, no right to subscribe for equity or debt securities of the Company was granted to any Director or chief executive of the Company or to the spouse or children under 18 years of age of any such Director or chief executive.

## 3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date and as far as is known to the Directors and according to the register of interests in shares and short positions of substantial shareholders maintained by the Company under Section 336 of SFO, the following person (other than the Directors disclosed under the heading “DISCLOSURE OF DIRECTORS’ INTERESTS” above), directly or indirectly, has interest of 5% or more of the nominal value of the issued ordinary shares that carry a right to vote in all circumstances at general meetings of the Company:–

Name	Number of shares held	Percentage of shareholding over the issued share capital of the Company
Peak Power Technology Limited	133,700,000 ( <i>Note 1</i> ) Long position	66.85%

*Note 1:* Peak Power Technology Limited is holding the 133,700,000 shares in its capacity as the trustee of The Lee Family Unit Trust holding the same for the benefit of holders of units issued by The Lee Family Unit Trust. Details are same as disclosed in Note 1 under the heading “Disclosure of Directors’ Interests” above.



Save as disclosed above, no other party was recorded in the register of interests in shares and short positions of substantial shareholders kept pursuant to section 336 of SFO as having an interest in 5% or more of the nominal value of the issued ordinary shares that carry a right to vote in all circumstances at general meetings of the Company.

#### **4. LITIGATION**

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

#### **5. SERVICE CONTRACTS OF PROPOSED DIRECTORS**

There is no proposed director who has service contract with any member of the Group which is not expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

#### **6. MISCELLANEOUS**

- a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- b) The principal place of business of the Company in Hong Kong is situated at 1st Floor, Block 1, Golden Dragon Industrial Centre, 152-160 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.
- c) The secretary of the Company is Mr. CHAN Ching Huen Stanley who is a fellow member of the Chartered Association of Certified Accountants of the United Kingdom and the Hong Kong Society of Accountants, and an associate member of the Institute of Chartered Secretaries and Administrators in the United Kingdom.